Secrh. II-37—100,000—28-8-52.

Fi. (1952) Department.

1/5 SERIES.

G.O. No. 1070

1070

Dated 28-8-52

[Despatch Abstract.]

Pension — Fixation of pay on re-employ
persons governed by the Contributory
Provident Fund and the Contributory
Provident Fund Pension System —
Orders passed.

GOVERNMENT OF MADRA S.
ABSTRACT.

PENSION - Fixation of pay of re-employed persons governed by the Contributory Provident Fund and the Contributory Provident Fund Pension System - Orders passed.

FINANCE DEPARTMENT.

G.O.Ms.No.1070. Dated the 28th August, 1952.
Read the following:-

From the Accountant-General, NO.G.V.Elec.I.137 dated 28-4-52.

ORDER:

The general principle governing the fixation of pay of a re-employed pensioner is to allow him to draw his pension in full, and in addition such pay as will bring his total emoluments (including pension) upto the rate of pay drawn by him on the date of retirement. This principle is not at present applied to re-employed Government servants who were on the Contributory Provident Fund System while in service. Such persons are allowed to draw, while in re-employment, the maximum pay of the post of re-employment or the pay last drawn while in service, whichever is less. No principle has been laid down in respect of Government servants governed by the Contributory Provident Fund cum- Pension System; as it will take some time before these persons begin to retire from service.

2. The Accountant-General has pointed out that the Government contribution and interest thereon credited to the Contributory Provident Fund account of a non-pensionable Government Servant correspond to the pension granted to a pensionable Government Servant, and that in accordance with the principle enumerated by the Government in ruling 3 under Article 521 C.S.R. (Madras Pension Code) which required that the pay on re-employment should be reduced by pension, it will not only be necessary but also equitable to reduce the pay on re-employment of persons borne on the Contributory Provident Fund Rules (Madras) by the Pension equivalent of the Government contrbution credited to their provident fund. The Accountant.General has also suggested that the pension equivalent may be determined by adopting the Civil Pensions commutation table of values. The Accountant-General has also stated that in the case of persons governed by the Contributory Provident Fund-cum-Pension System, it will be necessary to reduce the pay on re-employment not only by one-half of the pension admissible to them but also by the Government contribution and interest thereon credited to their provident fund in lieu of the other half of their pension.

3. The Government have examined the suggestions of the Accountant-General and have decided to accept them. They accordingly direct, in modification of the existing practice, that in future the pay of re-employed Government servants borne on the Contributory Provident Fund system should be fixed with reference to the formula explained in para 2 above.

PTO

The above formula will be applied also to persons borne on the Contributory Provident Fund-cum-Pension System when they are re-employed under Government.

4. The following will be inserted as ruling 4 under Articles 520-521 C.S.R. (Pension Code), and the existing rulings 4 and 5 will be re-numbered as rulings 5 and 6.

> "When a Government servant governed by the Contributory Provident Fund is re-employed in the same of a similar post, his pay will be so fixed that such pay together with the pension equivalent of the Government contribution and interest thereon - credited to his Provident Fund shall not exceed the pay last drawn by him before retirement, the "pension equivalent" being calculated by adopting the table of commuted value of civil pensions. In the case of persons who are borne on the Contributory Provident Fund-cum-Pension System, the pay on re-employment will be reduced not only by one-half of the pension admissible them, but also by the pension equivalent of the Government contribution and interest thereon credited to their provident fund in lieu of the other half of their pension".

(TRUE COPY)

R. Thiagarajan
Co-ordg.

": SECRETARIAT :"
MADRAS, DATED 7TH OCT. 1943.

RM/8-10.